

SUMMARY AND OVERVIEW

EXECUTIVE SUMMARY

The FY2001 Annual Operating Plan reflects the City's effort to continue to provide government services at a high quality level, the success of which will serve to stabilize both residential and commercial neighborhoods. In so doing, the Plan allocates general and dedicated revenues in a manner that reflects the priorities desired by both citizens and visitors of a clean and safe environment in which to live and conduct business. The proposed allocation while focussing on the twin goals of neighborhood stabilization and enhanced safety of the public, also recognizes the City's fiscal constraints and seeks to honor all obligations while continuing to build a solid financial foundation.

The total budget for FY2001 is \$730.7 million, and is funded by a combination of local tax revenues, dedicated funds for enterprise operations, and project specific grants. These amounts are further broken down by departmental activities using specific projects and accounts, with distinctions being made between operating funds and capital expenditures.

GENERAL FUND OPERATIONS

The city's general fund budget supports those recurring activities necessary for the operation of city government and is funded by a combination of revenues derived from taxes, fees, fines, and intergovernmental transfers. At \$388.0 million, the general fund proposal for FY2001 is the largest of the city funding units. In keeping with the city's stated priorities, this fund allocates \$194.6 million for public safety functions, including \$118.3 million for police services. The remaining public safety allocation from the general fund provides for fire protection, pre-trial inmate housing, emergency medical services, and various permitting and inspection activities. The general fund proposal also dedicates funds for the city's neighborhood stabilization efforts through allocations for solid waste collection and disposal as well as for maintenance of streets, alleys, and parks in the amount of \$47.3 million. Debt service payments for

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large projects funded through lease arrangements are included in the general fund allocation in the amount of \$23.3 million which funds annual lease payments on the Justice Center, Kiel Center, Civil Courthouse, and the Convention Center/Stadium complex. Funding for state and municipal court functions and county offices account for an additional \$42.7 million. The remainder of the general fund budget can be categorized as paying for maintenance and operations of buildings, health care services and administrative functions.

ENTERPRISE FUND OPERATIONS

The Water Division and the Airport are the city's two enterprise funds. Allocations for these departments are included in the FY2001 proposal at \$44.2 million and \$121.2 million, respectively.

The Water Division receives its income from the sale of water to residents of the City and recently from the sale of water to other municipalities in the metropolitan

area. Nearly 10% of the Water Division's budget or \$4.1 million is devoted to retirement of revenue bonds issued for capital improvements to the divisions two treatment facilities and an upgrade of the supporting infrastructure. With a proposed budget of \$121.2 million, the Airport is the city's largest cost center and is supported entirely by user fees paid by airlines and concessionaires. Approximately 40% of the proposed airport budget is devoted to debt service payments on revenue bonds issued to facilitate repair and maintenance of the runways and terminals. The remaining budget amounts provide for the administration and daily operations of both the Airport and Water Division.

FEDERAL AND STATE GRANTS

Grant funds secured from agencies at both the State and Federal level are included in the proposed plan in the amount of \$60.8 million, a 4% increase over the current year level. The largest portion of these dollars are used to

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augment locally funded social service programs and are allocated through the Department of Health and the Department of Human Services. Necessary services are delivered by the City either directly or by contract. In the FY2001 proposal \$31.9 million in grant funds will be allocated for use by these two departments. Public safety and neighborhood stabilization issues are addressed with miscellaneous project specific grants administered by the Police Department and the Local Law Enforcement Block Grant. Grants for this category total \$17.9 million in FY2001. The remaining grant funds supplement the city's efforts in the provision of job training services through the St. Louis Agency for Training and Employment and with providing administrative support for the Law Department and the Community Development Agency.

CAPITAL IMPROVEMENTS

The proposal allocates \$39.5 million to funds dedicated to equipment

purchases and capital improvements. The sources include a dedicated sales tax, transfers from the other funds, gaming admissions receipts, special projects grants and interest earnings on invested funds. Projects funded include replacement of rolling stock, infrastructure improvements to bridges, streets, and buildings, as well as debt service on previously approved projects such as the Justice Center and Civil Courts Building.

OTHER SPECIAL REVENUE FUNDS

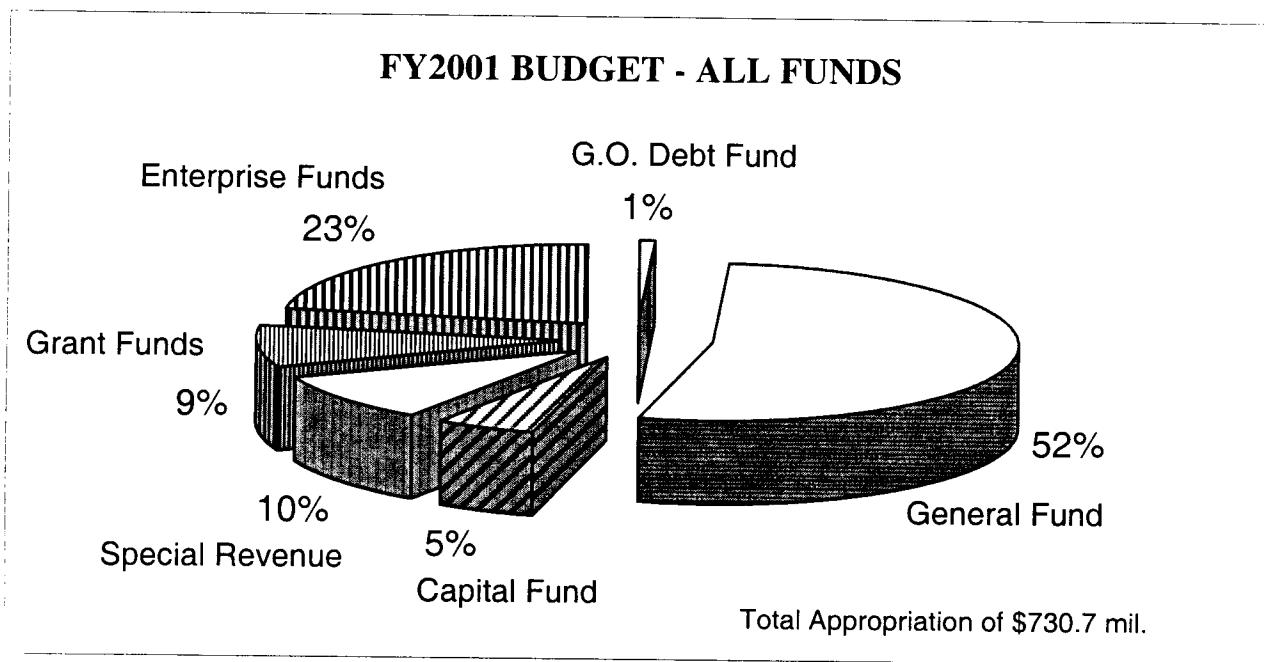
The remaining allocations in the proposal are through special funds, the revenues from which are legally required to be accounted for separately from the general fund. In this category is an allocation of \$5.0 million to the Health Care Trust Fund to subsidize health care for underinsured residents, and \$6.6 million from gaming operations which is used for capital improvements and enhancing the safety of the public visiting the riverfront. Other functions for which

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special revenue funds are allocated in this proposal include maintenance of improvements in Forest Park, demolition of condemned buildings, and repair of sewer lines.

The graph below illustrates the total budget distributed among fund groups.

The following page presents a summary of highlights of the FY2001 Annual Operating Plan:



Highlights of the FY2001 Operating Plan

- Allocation of \$5.0 mil. subsidy to ConnectCare to provide health care for uninsured and underinsured citizens.
- \$2.1 mil. in Capital funds to finance a rolling stock lease purchase of \$9.0 million over five years.
- Cost-of-living pay increases for all employees at a cost of \$11.0 million.
- Increase of \$1.2 million in cost of employee health insurance.
- Funding for Business Retention Program administered by St. Louis Development Agency in the amount of \$300,000
- \$1.1 million increase to hold two state and two municipal elections during fiscal year
- Purchase of additional liability insurance due to change in state liability law at a cost of \$600,000
- First time general fund subsidy of Circuit Drug Court in the amount of \$400,000
- \$600,000 in public safety gaming funds to subsidize relocation of Admiral Riverboat.
- \$3.0 million for contractual prisoner housing primarily at St. Louis County Justice Center
- Assumption of ownership of old federal courts building with scheduled debt cost of \$255,000 and first year maintenance of \$1.2 mil.
- Use of \$2.9 mil. of existing special fund balances to prepay Rams practice facility debt and restore \$1.2 mil. in NFL ticket tax revenue to general fund
- Increase of \$900,000 in subsidy to Truman Restorative Center
- Reduction in general fund City workforce of net 30 vacant positions scattered throughout City departments
- \$625,000 increase for purchase and maintenance of computer software development and licenses
- \$175,000 reduction in salt and snow chemical supplies due to previous mild winter
- \$1.1 mil. increase in cost of fuel and repairs parts at Equipment Services Division

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The FY2001 proposal includes funds for scheduled debt service obligations on several large projects initiated in previous fiscal years. These include the Justice Center, Kiel Center, and the Convention Center and Stadium Complex. Also included is the first year of debt retirement payments on a lease purchase of rolling stock and a general obligation bond issue that provided for the replacement of firefighting equipment along with other public safety improvements. Projects developed using Tax Increment Financing, with loan repayments generated by the project are also included in the budget proposal.

Social Service initiatives funded in this proposal are found in the Department of Health & Hospitals and the Department of Human Services. These funds whether generated locally or are the result of federal or state grants, have been distributed in a manner which seeks to ensure that these services are available to

all who are in need. The City subsidizes hospital and ambulatory care services for the medically indigent through a contractual arrangement with St. Louis ConnectCare, a private not-for-profit organization. The aforementioned \$5.0 million in the Health Care Trust fund will be used to fulfill this ongoing commitment. Additionally, Health and Human Services program spending is supported by \$11.0 million in general revenue and \$31.9 million in federal and state grants.

SUMMARY

In summary, the total budget appropriation for FY2001 is \$730.7 million. Over 50%, or \$388.0 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$60 million in grants from State and Federal Sources. The remainder of the budget comes from a variety of special and enterprise funds maintained by

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the City in compliance with specific ordinances or agreements. The allocation of these funds is designed to make the City of St. Louis a more desirable place to live, work, and do business. The allocation also reflects the City administration's goal of providing an effective and responsive City government as well as one that can deliver a wide range of recreational, entertaining, and cultural experiences. The service enhancements and infrastructure improvements funded in this plan will promote growth in future economic activity, which will in turn produce tangible results in jobs and fiscal stability.

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GENERAL FUND OVERVIEW

Sources of Funds

The operating revenues available for appropriation for general fund obligations will rise in FY2001 by 3.4% over the revised FY2000 estimate to \$388.1 million. Over 40% of the increased revenue results from steady growth in the Earnings and Payroll taxes, emphasizing the importance to the City of retaining existing jobs, as well as encouraging job creation. These two taxes will account for \$154.1 million or 40% of all general fund revenue in FY2001. Property tax revenues are forecast to increase by 3.8% reflecting increased assessed value of both real estate and personal property. General sales tax revenues are forecast to grow at slightly less than 3%, in line with the most recent historical pattern indicated by quarterly collection data. Intergovernmental revenues will be slightly higher resulting from an increase in the per diem reimbursement for housing of state

prisoners and juvenile detainees, and steady growth in motor vehicle sales taxes.

The expected increase in Franchise and Utility tax revenue of \$1.8 million results from an expected return to more seasonal weather patterns. Also reflected in this category is the impact of a settlement reached with Southwestern Bell, which allows the City to have input into the taxable status of new services and the resulting growth in current revenues. Fees for licenses and permits will increase by 4.1% overall with the greatest impact coming from those licenses that are gross receipts based rather than unit based, and the inclusion of professional football ticket gross receipts into the general fund.

Uses of Funds

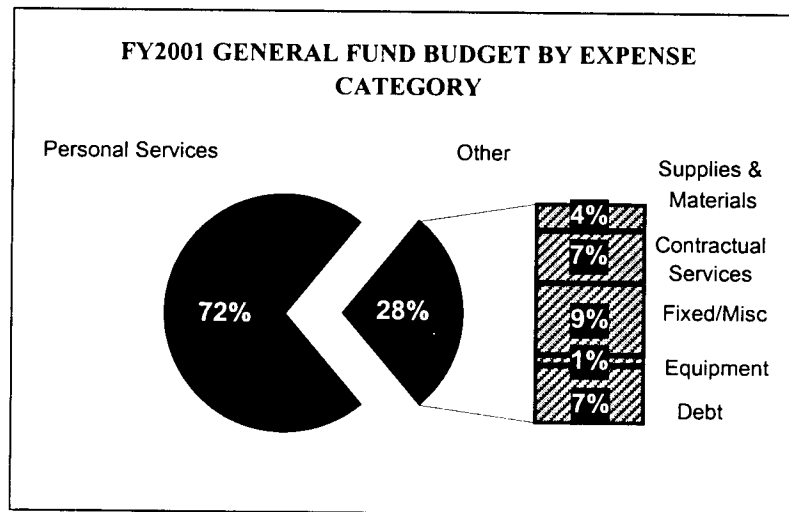
The FY2001 Annual Operating Plan includes a General Fund budget that seeks to provide for continued and enhanced neighborhood stabilization and an allocation scheme designed to ensure that

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City departments charged with service delivery are provided with the necessary resources to fulfill their missions. Major highlights that differentiate this year's plan from that of last year have been identified in a previous table. These include the allocation of funds sufficient to meet the City's debt service requirements, as well as other contractual obligations. Personnel costs represent 72% of the general fund budget and include the impact of cost of living adjustments granted to employees as well as other benefit increases. The proposal reflects commitment of funds to long term health care and economic development.

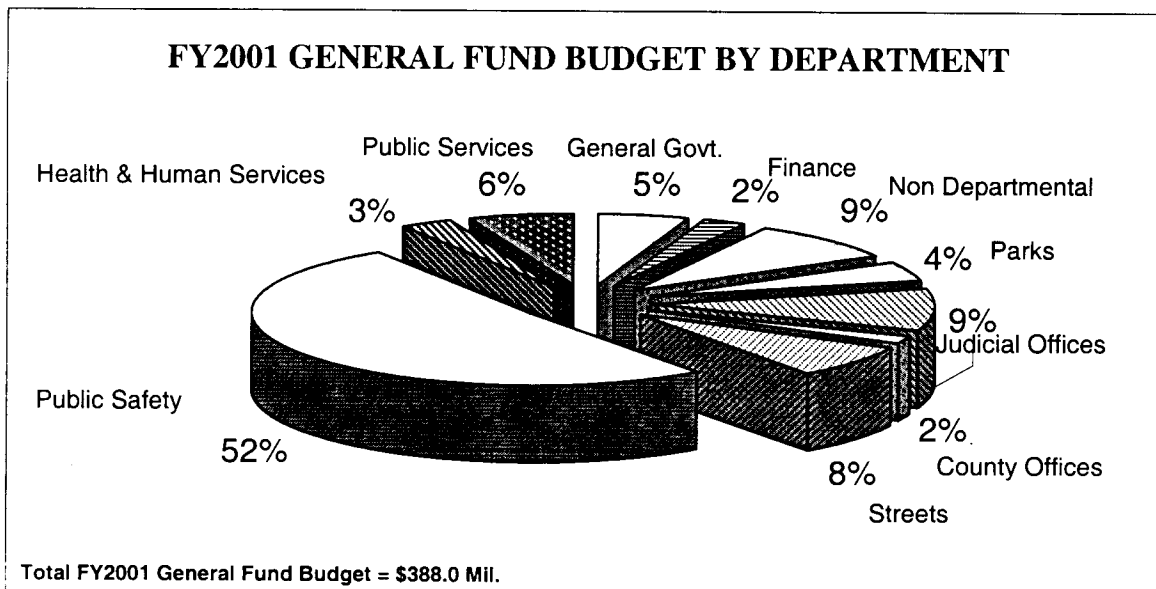
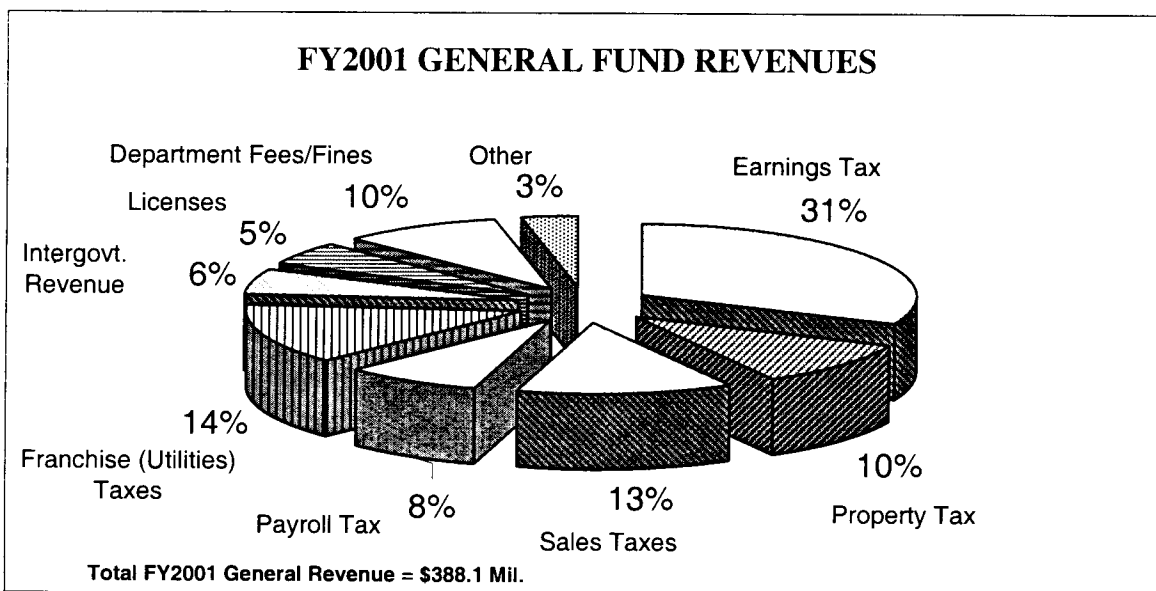
Operationally, the City will continue to contractually provide for housing for prisoners formerly housed at the City Jail, and will assume maintenance of the old Federal Courthouse midway during the year.

The general fund budget as proposed is in balance with available revenues. However, a balanced budget in FY2001 includes the use of non-recurring revenues such as funds that have built up over a period of years. One-time revenues in this budget were intentionally linked to capital improvement projects in order to provide flexibility in the development of future budgets



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The following charts illustrate the sources and uses of funds



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Projected Operating Results

Based on the expected operating revenue and the proposed appropriations previously identified, the operating revenues will exceed the budget by approximately \$86,000. The table below shows the expected results from operations in FY2001.

Estimated Revenue	\$388,050,000
General Fund Appropriations	<u>387,964,059</u>
Results from operations	<u><u>\$85,941</u></u>

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CAPITAL IMPROVEMENTS

The City of St. Louis Capital Committee has developed a five-year Capital Improvements Plan containing projects that have an estimated cost of \$400 million. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated \$185 million will be appropriated for cash payments and debt service requirements, and in some cases the local matching share for road and bridge repair projects and major flood protection projects. The FY2001 Capital Budget funds the first year of the plan with a recommended appropriation of \$39.5 million. The one-half cent sales tax for capital improvement will generate \$18.0 million in FY2001 or nearly 50% of the total revenue. Other revenues supporting the capital budget include \$8.8 million from the general fund, \$4.0 million from projected gaming revenues, \$2.6 million in special project grants, \$2.3 million in interest earnings, \$1.8 million from

gasoline tax revenue, and \$2.0 million from various other sources.

Capital expenses planned for FY2001 include those for projects designed to further the City's goal of stabilizing neighborhoods as well as increasing the efficiency of service delivery through replacement of vital equipment required to deliver those services. Also included are funds necessary to comply with federal mandates regarding environmental hazards such as lead and asbestos abatement, and treatment of former underground tank sites. The major categories of planned capital expenses are presented below:

- **Ward Improvements - \$9.0 million**

Each of the City's 28 wards will be allocated \$321,400 for projects such as neighborhood park improvements, street resurfacing, street lighting enhancements, and refuse container replacement. Actual projects will be determined by the ward alderman

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subject to approval by the Board of Estimate and Apportionment.

- **Major Parks and Recreation Centers**

- **\$6.2 million:** The City's six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O'Fallon, and Willmore will share \$5.7 million. Planned projects include roadway repairs, skating rink renovations, and improvements to tennis courts. A total of \$0.5 million will be expended on recreation centers for projects such as swimming pool repairs and building modifications to comply with ADA standards.

- **Facility Improvements - \$15.9 million:**

Funds categorized as being for facility improvements will service previously incurred debt on the Justice Center and the Civil Courts Building. In addition, improvements are planned for several other city facilities including Soulard Market, Municipal Garage, City Hall, Medium Security

Institution and the Missouri Theatre Building which houses the Health & Hospitals Department. Repairs are also scheduled for the floodwall to enhance protection from potential future flooding of both River des Peres and the Mississippi River.

- **Equipment Replacement - \$3.2 million:**

Planned expenditures include replacement of rolling stock necessary to the refuse collection and street cleaning operations along with other vehicle replacements. A five-year lease purchase will be used for a replacement of rolling stock at \$2.1 million annually. Replacement and upgrading of computer and communication equipment is also included at a cost of \$0.5 million.

- **Bridge and Street Improvements -**

\$3.6 million: Twenty bridge and street improvement projects are funded in conjunction with the federal ISTEA program. The City's share of those

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projects averages 20% of the total cost.

This category also includes funds for unforeseen bridge repairs, which are not eligible for the federal cost sharing arrangement, as well as any planned arterial street resurfacing.

BUDGET FORMAT

The remainder of this budget document is divided into the following sections:

Budget Overview: This section provides a more detailed discussion of the City's projected revenues and expenditures. The discussion includes an overall economic outlook for the City and includes summary tables illustrating projected revenues and appropriations for all funds.

Department and Program Budgets This section is divided by major City departments. Each department begins with a summary of budget statistics and is followed by division and program budgets

within each department.

The division and program budgets are presented in a format that contains narrative information about respective programs and identifies outputs and projected performance levels.

Capital Improvements: The City's FY2001 Capital Budget and Capital Improvement Plan are presented in this section. A detailed discussion of the five-year plan and description for each capital project are being submitted under a separate cover.

Appendix: The appendix includes supplemental information about the City and its budget including debt issues, the budget process, trends in personnel, etc.

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BUDGET OVERVIEW

This section presents summary information on the FY2001 Annual Operating Plan for the City of St. Louis. The discussion that follows describes the economic outlook for the City and region in the context of both the national and state perspective, and presents a comprehensive review of the general operating fund budget, as well as for enterprise and special revenue funds. Also presented in this section are summary tables of sources and uses of funds for all fund groups and descriptions of the major sources of revenue for FY2001.

ECONOMIC OUTLOOK

U.S. Economy and Outlook

The U.S. economy is headed to its eighth consecutive year of real growth of at least 2% as measured by real Gross Domestic Product (GDP). For 1999, real GDP growth is estimated at 3.9%, a

continuation of solid economic expansion achieved with relatively little price inflation. The inflation rate is expected to remain in the 2.5% range, while the unemployment rate is forecast to remain below 5%, which is quite low by recent historical standards. In summary, while a recession is not likely, the U. S. economy will be hard pressed to repeat the performance of recent years.

Missouri Economy and Outlook

The State of Missouri has enjoyed a vibrant and growing economy over the last six years. The unemployment rate as of the last quarter of 1999 was 2.3% compared with the national rate of 3.8%. During that period, there were over 2.8 million Missourians employed, and increase of approximately 7% in the last 6 years. Again in 1999, an increasing number of companies expanded their operations in Missouri. In 2000, Missouri should continue to see companies investing in facilities in the State Personal

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income growth in the state is projected at 4.8% for 2000, about even with the past two years.

St. Louis Economic Outlook

The City of St. Louis is the core of an eleven county metropolitan area covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.6 million residents. It is also the office center of the region with approximately 38% of the area office space. The metropolitan area and the City are major industrial centers in the Eastern Missouri-southwestern-Illinois area with a broad range of industries. According to information supplied by the Missouri Division of Employment Security, total non-agricultural jobs in the metropolitan area have increased by approximately 7,000 in the past two years. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share of jobs in the metropolitan area, the City remains a significant source of jobs in the

region with nearly 25% of all the jobs. Job growth in the City has been concentrated in the service sector and the expectation is that long term employment growth in the City will be in the areas of medical services, business services, as well as the convention and tourism business.

Following the national trend, medical service providers in the St. Louis area have merged. One of the resulting corporations, Barnes-Jewish Medical Center, which has its headquarters in the City, has recently approved a \$350 million campus integration plan to include in-patient acute care, ambulatory care and a cancer treatment center. According to the Regional Commerce and Growth Association (RCGA), this project once completed will inject an estimated \$428 million into the local economy and provide employment for more than 4,700 employees, creating income of approximately \$145.6 million annually.

The Board of Aldermen of the City has approved a master plan for development of a 1.3 million square feet

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site situated in the heart of the City directly across from historic Forest Park.

The development will include prime office space, restaurants, and shops to service both campus workers and park visitors, and a Forest Park Visitor's Center as a cultural anchor. The final development will complement rather than compete with Downtown St. Louis by targeting firms that would otherwise locate in outlying suburban areas. It is anticipated that once fully occupied, the office campus and surrounding venues will have added hundreds of jobs to the City's tax rolls as well as increasing the assessed value of property in the City.

completed Drury Hotels project which added 370 deluxe hotel rooms in downtown.

Through the provision of city services, maintenance of infrastructure and promotion of tourism and business development, the City will be assured of its continuing role as the region's economic center.

A development action plan has been approved for downtown St. Louis that will add approximately \$1.0 billion in private investment. One project in the plan which is currently underway is redevelopment of a 12 acre site into a luxury hotel and office complex valued at \$300 million. This complex will complement a recently

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FY2001 OPERATING PLAN FUND GROUPS

The general appropriation for the City of St. Louis for FY2001 totals \$730.7 million. In addition to this appropriation, there are funds such as the Community Development Block grant and the Street Improvement funds among others that are appropriated separately. The following is a brief description of the major funds subject to appropriation followed by tables illustrating recent revenue and expenditure history as well as projected performance in FY2001.

General Fund

The General Fund is the general operating fund of the City and accounts for all financial transactions not required to be accounted for in another fund. General Fund expenditures account for about one-half of all City expenditures. As the general operating fund, general fund revenues pay for the majority of services delivered to and paid for by citizens.

These include administrative costs as well as more visible services such as police and fire protection, emergency and other medical services and maintenance of parks and streets.

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds contained in this category include, government grants, the convention and tourism fund, gaming fund, assessment fund, lateral sewer fund, capital funds, tax increment financing funds, transportation fund and other miscellaneous special funds. The debt service fund that is used to account for resources and expenses related to the City's general obligation (property tax supported) debt is also included as a special fund. Two other funds are included in this group for illustrative convenience. The City's mail room service operates as an internal

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service fund in that it provides mail service to departments on a reimbursement basis.

The employee benefits fund is an agency fund in that it administers expenditures for the City's various health plans funded by appropriations from other City funds as well as contributions from City employees.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises --where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or

recovered primarily through user charges.

The major enterprise funds in the City are the Water Division and Airport operations.

The Parking Meter Division is also operated as an enterprise fund.

Detailed descriptions of funds within each of these fund groups can be found in the glossary in the Appendix of this documents.

The tables on the following pages contain summary budget information for all funds. A more detailed discussion of the general fund budget and descriptions of trends in major sources of revenue follow.

FY2001 REVENUE SUMMARY - ALL FUNDS
(in millions)

	FY99 Actual	FY00 Revised	FY01 Budget	Percent Change FY00-01
General Fund				
Earnings Tax	\$114.1	\$118.0	\$122.1	3.4%
Property Tax	38.8	37.8	39.2	3.8%
Sales Tax	47.3	48.1	49.5	2.8%
Payroll Tax	29.5	30.7	32.0	4.3%
Franchise (Utilities) Taxes	53.5	50.5	52.4	3.7%
Other Taxes	1.8	1.9	2.0	5.3%
License Fees	19.7	20.0	20.8	3.9%
Grants & Intergovernmental Revenues	21.6	22.1	22.2	0.5%
Department User Fees and Fines	31.2	34.2	37.3	8.9%
Transfers	10.5	11.2	10.6	-5.6%
	<u>\$367.9</u>	<u>\$374.6</u>	<u>\$388.1</u>	<u>3.6%</u>
Special Revenue Funds				
Property Tax	\$2.3	\$1.8	\$7.7	321.8%
Sales Tax	0.4	0.9	1.1	32.9%
Franchise (Utilities) Taxes	4.2	4.2	4.2	-0.4%
Other Taxes	8.7	8.3	8.8	6.2%
License Fees	1.0	1.2	0.0	-100.0%
Grants & Intergovernmental Revenues	38.7	65.1	68.5	5.1%
Department User Fees and Fines	24.5	31.3	32.3	2.9%
Transfers	1.2	1.2	1.8	56.5%
Other Resources	2.7	10.7	13.7	28.1%
	<u>\$83.5</u>	<u>\$124.7</u>	<u>\$138.1</u>	<u>10.8%</u>
Capital Improvements Funds				
1/2 Cent Sales Tax	\$17.4	\$17.5	\$18.0	2.8%
Grants & Intergovernmental Revenues	1.8	1.8	4.3	147.1%
Transfers	10.4	13.0	12.9	-0.8%
Other Resources	4.4	1.1	3.2	183.6%
Previous Year General Fund Surplus	5.0	3.0	1.0	-66.7%
	<u>\$39.0</u>	<u>\$36.4</u>	<u>\$39.5</u>	<u>8.4%</u>
Enterprise Funds				
Franchise (Utilities) Taxes	\$3.7	\$4.0	\$3.7	-8.6%
Enterprise Revenues	161.4	167.1	169.1	1.2%
Other Resources	0.0	0.7	0.7	0.0%
	<u>\$165.0</u>	<u>\$171.8</u>	<u>\$173.4</u>	<u>0.9%</u>
Total General Appropriation	<u>\$655.4</u>	<u>\$707.5</u>	<u>\$739.0</u>	<u>4.5%</u>
Funds Appropriated Separately				
Community Development (CDBG) & Housing Grants	\$41.5	\$38.1	\$36.3	-4.8%
Street Improvement Fund	4.6	4.7	4.7	-0.9%
Parking Division Revenues	9.3	9.0	9.0	0.0%
Transportation Fund Revenues	26.1	26.5	30.3	14.2%
	<u>\$81.5</u>	<u>\$78.3</u>	<u>\$80.2</u>	<u>2.4%</u>
Total All Sources	<u>\$736.9</u>	<u>\$785.8</u>	<u>\$819.2</u>	<u>4.3%</u>

FY2001 BUDGET SUMMARY - ALL FUNDS
(in millions)

Fund	FY99 Actual	FY00 Budget	FY01 Budget	Percent Change FY00-01
General Fund	\$364.9	\$372.4	\$388.0	4.2%
Special Revenue Funds				
Debt Service Fund	\$2.2	\$0.0	\$5.7	n/a
Capital Fund	\$38.0	\$35.9	\$39.5	9.9%
Assessment Fund	\$3.3	\$3.5	\$3.6	5.0%
Employee Benefits Fund	\$17.1	\$24.8	\$25.2	1.5%
Convention and Tourism Fund	\$3.5	\$3.6	\$4.0	11.1%
Lateral Sewer Fund	\$3.1	\$3.6	\$3.5	-1.5%
Cable Communications Fund	\$1.3	\$1.4	\$1.4	5.2%
Port Authority	\$2.5	\$2.2	\$3.2	45.6%
Riverfront Gaming Fund	\$3.7	\$3.7	\$4.9	34.0%
Convention and Sport Facility Trust Fund	\$5.3	\$4.9	\$4.7	-5.1%
Health Care Trust Fund	\$0.0	\$6.1	\$5.0	-18.0%
Other Special Revenue Funds	\$5.5	\$9.2	\$14.4	56.5%
	\$85.4	\$98.7	\$115.0	16.5%
Grant Funds				
St. Louis Agency on Training and Employment	\$6.5	\$12.0	\$11.8	-1.5%
Health and Human Services	\$21.1	\$30.4	\$32.5	6.8%
Police Department	\$5.3	\$7.3	\$6.7	-9.1%
Community Dev. Planning & Administration	\$0.0	\$3.2	\$4.7	N/A
Other Grants	\$5.5	\$6.8	\$6.7	-0.7%
	\$38.5	\$56.4	\$62.3	10.4%
Enterprise Funds				
Water Division	\$38.6	\$44.2	\$44.2	-0.1%
Airport Authority	\$112.1	\$118.3	\$121.2	2.5%
	\$150.8	\$162.5	\$165.4	1.8%
Total General Appropriation	\$639.6	\$693.2	\$730.7	5.4%
Separate Appropriations ¹				
Community Development Programming	\$36.5	\$38.1	\$36.2	-5.0%
Street Improvement Fund	\$4.6	\$4.7	\$4.7	0.0%
Parking Division Funds	\$8.0	\$7.1	\$8.8	23.9%
Transportation Trust Funds	\$27.0	\$29.4	\$30.3	3.1%
	\$76.0	\$79.3	\$80.0	0.9%
Total Appropriations	\$715.6	\$772.5	\$810.6	4.9%

¹ CDBG & housing grants and Street Improvement funds appropriations are for calendar years 1998, 1999, and 2000 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

**FY2001 BUDGET - ALL FUNDS
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
GENERAL GOVERNMENT						
110	Board of Aldermen	2,023,626	-	-	-	2,023,626
120	Mayor's Office	2,124,358	-	-	-	2,124,358
121	St. Louis Agency on Training and Emp.	183,532	-	11,789,267	-	11,972,799
123	Department of Personnel	3,050,397	-	-	-	28,217,174
	Employee Benefits Fund	-	25,166,777	-	-	
124	Register	116,508	-	-	-	116,508
126	Civil Rights Enforcement Agency	455,739	-	103,668	-	559,407
130	Soldier's Memorial	0	-	-	-	0
137	Budget Division	4,758,123	500,000	-	-	5,258,123
139	City Counselor	7,706,727	-	375,884	-	8,082,611
141	Planing and Urban Design	-	-	1,657,849	-	1,657,849
142	Community Development Administration	-	-	3,034,975	-	3,034,975
	Subtotal	20,419,010	25,666,777	16,961,643	-	63,047,430
FINANCE						
160	Comptroller	7,075,446	-	-	-	13,171,269
	Lateral Sewer Fund	-	47,467	-	-	
	Columbia Bottoms	-	5,000	-	-	
	Tax Increment Financings	-	1,894,136	-	-	
	Trustee Lease Fund	-	4,149,220	-	-	
162	Municipal Garage	222,765	-	-	-	222,765
163	Microfilm	306,239	-	-	-	306,239
170	Supply Commissioner	548,259	-	-	-	548,259
171	Multigraph	1,294,236	-	-	-	1,294,236
172	Mail Room	-	827,450	-	-	827,450
180	Assessor	-	3,627,974	-	-	3,627,974
	Subtotal	9,446,945	10,551,247	-	-	19,998,192
NON-DEPARTMENTAL						
190	City Wide Accounts	34,637,700	-	-	-	43,537,700
	Convention and Tourism Fund	-	4,000,000	-	-	
	Riverfront Gaming Fund	-	4,900,000	-	-	
	Subtotal	34,637,700	8,900,000	-	-	43,537,700
PARKS, RECREATION & FORESTRY						
210	Director, Parks, Recreation and Forestry	330,993	-	265,000	-	595,993
213	Division of Recreation	2,495,092	-	-	-	2,495,092
214	Division of Forestry	5,556,088	-	-	-	5,556,088
220	Division of Parks	8,261,811	-	-	-	8,261,811
250	Tower Grove Park	657,500	-	-	-	657,500
	Subtotal	17,301,484	-	265,000	-	17,566,484
JUDICIAL OFFICES						
310	Circuit Clerk	1,290,038	-	-	-	1,290,038
311	Circuit Court	5,504,727	-	-	-	5,504,727
312	Circuit Attorney	4,755,944	1,392,595	205,926	-	6,354,465
313	Board of Jury Supervisors	1,407,581	-	-	-	1,407,581
314	Probate Court	105,750	-	-	-	105,750
315	Sheriff	6,513,571	-	-	-	6,513,571
316	City Courts	2,670,474	-	-	-	2,670,474
317	City Marshal	1,162,164	-	-	-	1,162,164
320	Probation and Juvenile Detention Center	12,654,798	-	-	-	12,654,798
321	Circuit Drug Court	396,525	-	-	-	396,525
	Subtotal	36,461,572	1,392,595	205,926	-	38,060,093
COUNTY OFFICES						
330	Tax Equalization Board	16,900	-	-	-	16,900
331	License Collector	-	7,591,882	-	-	7,591,882
333	Recorder of Deeds	1,601,171	-	-	-	1,601,171
334	Board of Election Commissioners	2,594,520	-	-	-	2,594,520
335	Medical Examiner	1,370,232	-	100,000	-	1,470,232
340	Treasurer	636,109	-	-	-	636,109
	Subtotal	6,218,932	7,591,882	100,000	-	13,910,814

**FY2001 BUDGET - ALL FUNDS
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
PUBLIC UTILITIES						
401	Cable Communications	-	1,425,144	-	-	1,425,144
414	Soulard Market	264,051	-	-	-	264,051
415	Water Division	-	-	-	44,154,038	44,154,038
420	Airport Authority	-	-	-	121,206,980	121,206,980
	Subtotal	264,051	1,425,144	-	165,361,018	167,050,213
STREETS						
510	Director of Streets	772,023	-	-	-	4,225,459
	Lateral Sewer Fund	-	3,453,436	-	-	-
511	Traffic and Lighting	7,314,755	-	-	-	7,314,755
513	Auto Towing and Storage	1,383,775	-	-	-	1,383,775
514	Street Division	6,125,497	-	-	-	6,125,497
516	Refuse Division	14,357,155	-	318,790	-	14,675,945
520	Port Authority	-	3,170,000	-	-	3,170,000
	Subtotal	29,953,205	6,623,436	318,790	-	36,895,431
PUBLIC SAFETY						
610	Director of Public Safety	567,181	-	-	-	567,181
611	Fire Department	42,934,567	25,000	-	-	42,959,567
612	Firefighter's Retirement System	5,752,566	-	-	-	5,752,566
615	Air Pollution Control	315,426	-	1,014,397	-	1,329,823
616	Excise Commissioner	278,787	-	-	-	278,787
620	Building Commissioner	8,576,998	1,928,933	-	-	10,505,931
622	Neighborhood Stabilization	2,200,507	-	4,043,320	-	6,243,827
625	City Emergency Manangement Agency	300,516	-	-	-	300,516
631	City Jail	0	-	-	-	0
632	Medium Security Institution	19,034,514	-	-	-	19,034,514
650	Police Department	118,303,537	496,175	6,168,987	-	124,968,699
651	Police Retirement System	245,478	-	-	-	245,478
	Subtotal	198,510,077	2,450,108	11,226,704	-	212,186,889
HEALTH AND HOSPITALS						
700	Director, Health and Hospitals	473,977	-	144,060	-	618,037
710	Health Commissioner	810,842	-	6,415,123	-	7,225,965
711	Communicable Disease Control	1,556,053	-	3,412,546	-	4,968,599
712	School Health	959,049	-	336,781	-	1,295,830
713	Public Health Laboratory	526,237	-	37,387	-	563,624
714	Animal Regulation Center	643,236	-	-	-	643,236
715	Community Environmental Health	1,659,095	-	-	-	1,659,095
716	Lead Poisoning Control	278,416	-	384,074	-	662,490
717	Biostatistics/Vital Records	432,032	-	-	-	432,032
719	Immunization Service	425,488	-	-	-	425,488
720	Food Control	547,765	-	-	-	547,765
721	Health Promotion/Education	489,580	-	1,419,263	-	1,908,843
737	Health Care Trust Fund	-	5,000,000	-	-	5,000,000
	Subtotal	8,801,770	5,000,000	12,149,234	-	25,951,004
HUMAN SERVICES						
800	Director of Human Services	2,211,381	212,500	20,097,362	-	22,521,243
	Subtotal	2,211,381	212,500	20,097,362	-	22,521,243
BOARD OF PUBLIC SERVICE						
900	President, Board of Public Service	5,404,854	1,039,505	-	-	6,444,359
903	Facilities Management	8,798,920	-	-	-	8,798,920
910	Equipment Services Division	9,373,199	-	-	-	9,373,199
930	Soldier's Memorial	160,959	-	-	-	160,959
	Subtotal	23,737,932	1,039,505	-	-	24,777,437
CAPITAL IMPROVEMENTS FUND		-	39,454,640	-	-	39,454,640
DEBT SERVICE FUND		-	5,697,998	-	-	5,697,998
TOTAL BUDGET		\$387,964,059	\$116,005,832	\$61,324,659	\$165,361,018	\$730,655,568

FY2001 BUDGET SUMMARY BY FUND (in million \$)

Sources and Uses	General Fund	Child Support Fund	Building Demolition Fund	Assessment Fund	Battered Persons Shelter Fund	Communications Fund	Lateral Sewer Fund	1119 Special Funds	Riverboat Gaming Fund	SLATE	Community Development Agency *
Projected Beginning Fund Balance	\$19,920	\$0,300	\$3,300	\$0,408	\$0,476	\$0,854	\$3,711	\$8,993	\$0,200	n/a	n/a
Revenues											
Earnings Tax	122,100	--	--	--	--	--	--	--	--	--	--
Property Tax	39,214	--	--	0.940	--	--	--	--	--	--	--
Sales Tax	49,500	--	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	4,100	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	10,100	--	--	--	--	--	--	--	--	--	--
Payroll Tax	32,000	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	52,374	--	--	--	--	1,400	2,750	--	--	--	--
Restaurant Taxes	2,000	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	--
Other Taxes	0,300	--	--	--	--	--	--	--	--	--	--
License Fees	20,761	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	--	--	--	--
Grants / Other Intergovt. Revenues	7,751	1,350	--	0.839	--	--	--	--	5,200	10,371	36,282
Dept. User Fees, Fines & Other Rev.	37,275	--	1,650	0.119	0.180	--	--	4,954	--	--	--
Transfers In	10,575	--	--	1,550	--	--	--	--	--	--	--
Other Resources	--	--	--	--	--	--	0,225	5,000	--	--	--
Total Sources of Funds	\$388,050	\$1,350	\$1,650	\$3,448	\$0,180	\$1,400	\$2,975	\$9,954	\$5,200	\$10,371	\$36,282
Appropriations											
Personal Services	279,328	0,850	0,279	2,987	--	0,909	0,322	1,214	0,496	1,418	4,096
Supplies	8,780	0,037	0,010	0,019	--	0,017	0,005	0,025	0,010	0,155	0,029
Materials	4,669	--	0,085	--	--	0,000	0,002	--	--	--	--
Equipment (less lease debt)	4,981	0,076	0,012	0,033	--	0,542	0,181	--	0,013	--	0,078
Contractual Services	26,228	0,159	1,500	0,321	--	0,306	0,092	0,183	0,003	0,516	32,079
Fixed & Misc. Charges	32,832	--	--	0,268	0,150	0,151	2,900	8,250	0,650	8,282	0,000
Debt Service (plus lease debt)	21,771	--	--	--	--	--	--	--	--	--	--
Transfers Out :											
Capital Lease Payments	6,400	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	2,975	0,500	1,100	--	0,063	--	--	0,175	4,250	--	--
Total Uses of Funds	\$387,964	\$1,622	\$2,986	\$3,628	\$0,213	\$1,925	\$3,502	\$9,847	\$5,422	\$10,371	\$36,282
Projected Ending Fund Balance	\$20,006	\$0,028	\$1,964	\$0,228	\$0,444	\$0,329	\$3,185	\$9,100	(\$0,021)	\$0,000	\$0,000

nb: Fund balances exclude 27th pay reserves and other designated balances.

* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

FY2001 BUDGET SUMMARY BY FUND (in million \$)

Sources and Uses	1134-40 Grant Funds	Street Improvement Fund *	1217-21 Capital Improvements Funds	General Obligation Debt Service	Tax Increment Financings	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Services Internal Service Fund	Tourism Fund	Employees Health & Hosp. Fund	Convention & Sports Facility Trust Fund	Rams Practice Facility Fund
Projected Beginning Fund Balance	n/a	\$0.183	\$1.080	\$0.000	\$0.000	\$11.800	\$10.450	(\$0.078)	\$0.236	\$1.604	\$0.000	\$1.792
Revenues												
Earnings Tax	--	--	--	--	0.208	--	--	--	--	--	--	--
Property Tax	--	--	--	5.698	1.001	--	--	--	--	--	--	--
Sales Tax	--	--	18.000	--	1.143	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	--	0.875	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	--	--	1.750	--	--	--	--	--	--	--	--	--
Payroll Tax	--	--	--	--	0.050	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	--	3.780	--	--	0.065	3.656	--	--	--	--	--	--
Restaurant Taxes	--	--	--	--	0.030	--	--	--	3.850	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	4.650	--
Other Taxes	--	--	--	--	--	--	--	--	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	39.788	129.270	--	--	--	--	--
Grants / Other Intergovt. Revenues	45.299	--	2.575	--	--	--	--	--	--	--	--	--
Dept. User Fees, Fines & Other Rev.	--	--	--	--	--	--	--	0.850	--	24.500	--	--
Transfers In	--	--	12.925	--	--	--	--	--	--	--	--	0.250
Other Resources	--	--	3.125	--	0.050	--	--	--	--	--	--	0.900
Total Sources of Funds	\$45.299	\$4.655	\$38.375	\$5.698	\$2.547	\$43.444	\$129.270	\$0.850	\$3.850	\$24.500	\$4.650	\$1.150
Appropriations												
Personal Services	9.341	1.162	--	--	0.047	17.918	32.426	0.147	--	0.342	--	--
Supplies	0.203	0.293	--	--	--	4.625	2.962	0.005	--	0.004	--	--
Materials	0.074	1.942	--	--	--	1.982	1.296	--	--	--	--	--
Equipment (less lease debt)	3.006	0.115	2.100	--	--	1.304	2.806	--	--	0.012	--	--
Contractual Services	3.249	1.188	24.013	--	--	6.816	19.657	0.675	--	0.142	--	--
Fixed & Misc. Charges	29.426	--	--	--	--	7.400	14.799	0.002	0.200	24.666	--	--
Debt Service (plus lease debt)	--	--	13.342	5.698	1.847	4.110	47.260	--	--	--	--	2.942
Transfers Out :												
Capital Lease Payments	--	--	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	--	--	--	--	--	--	--	--	3.800	--	4.650	--
Total Uses of Funds	\$45.299	\$4.700	\$39.455	\$5.698	\$1.894	\$44.155	\$121.206	\$0.829	\$4.000	\$25.166	\$4.650	\$2.942
Projected Ending Fund Balance	\$0.000	\$0.138	\$0.000	\$0.000	\$0.652	\$11.089	\$18.514	(\$0.057)	\$0.086	\$0.938	\$0.000	\$0.000

nb: Fund balances exclude 27th pay reserves and other designated balances.

* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

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FY2001 GENERAL FUND BUDGET

The FY2001 proposed general fund budget is \$388.0 million, an increase of 4.2% over that of FY2000. The allocation of these funds has been developed in such a way as to maintain existing services and properly fund all fixed obligations, while accommodating the changing dynamics among the market forces that ultimately drive the budget process. The proposed allocation scheme continues to place emphasis on Neighborhood Stabilization and Public Safety as its primary focus areas. Additionally, the proposal accommodates all fixed obligations, including debt service costs, mandated costs imposed by state statutes, and contractual commitments. Remaining resources have been allocated across departments in a manner designed to encourage operational efficiencies in the delivery of services and to begin to put the City in a position to fund the necessary changes to the way certain services will be delivered in the future.

In order to provide services of the quality that users have come to expect the City must continue to attract and retain a skilled workforce. For the first time in approximately twenty years, the City has commissioned a comprehensive examination of all its job classifications and salary schedules. As a result of the findings of this examination, extensive revisions to the existing job classifications and salary schedules have been implemented. These revisions were put in place in an attempt to reflect market conditions in the Saint Louis metropolitan area. As a direct result of this effort, the largest area of increase in the FY2001 budget is in the area of compensation, with approximately 65% of the total increase in revenues being devoted to implementation of the classification and salary studies.

The general fund allocation for Police services is \$118.3 million and represents slightly more than 30% of the

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entire budget. Building on the success of the program of enhanced neighborhood police patrols initiated in the FY2000 budget, the allocation for Police services includes funds to expand the program by increasing the funding for overtime. The budget proposal also includes \$42.9 million for Fire and Emergency Medical services. While no new Fire Department services are contemplated, the proposed allocation represents an increase of 4.4%, due to the implementation of a new pay proposal and changes in federal regulations regarding the provision of medical supplies on emergency vehicles.

In recent budget proposals, the City has implemented new programs aimed at enhancing the stability of its neighborhoods. In addition to responding to actual and perceived problems related to public safety, new programs designed to improve the attractiveness of the neighborhoods were funded. These include a program to enhance street lighting in residential neighborhoods, the

District Debris program to clean up and maintain vacant and abandoned property, and the Trash Task Force to reduce and ultimately eliminate illegal dumping. Each of these programs has met with initial success and funds to continue these efforts have been incorporated into the operating budget proposal for FY2001.

Operational changes put in place in FY2000 to make more efficient use of existing personnel and equipment employed by the Equipment Services Division of the Department of Public Services and the Corrections Division of the Department of Public Safety have been retained and are funded in the proposed budget. In the case of the Equipment Services Division, which undertook to provide repairs to emergency medical vehicles in-house rather than by contract, additional funds have been allocated based on the experience of the current year. The Corrections Division will continue to provide inmate housing by contract with St. Louis County during the construction

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stage of the City's new Justice Center. This arrangement allows the City to demolish the existing 85-year-old Jail building and avoid costly operating costs and facility repairs. The FY2001 proposal also contemplates that City will assume ownership of the nearby federal courthouse about midway during the fiscal year and includes transitional funding to facilitate this process.

In the FY20001 budget proposal, the practice of allocating general fund revenues to finance and maintain public improvements is continued. This includes \$1.0 million to retire debt associated with the Kiel Center, \$5.0 million to retire debt on the TWA Dome, and \$11.9 for debt on the Convention Center. Aside from these debt service payments, \$1.0 million and \$2.0 million allocations are included to preserve the assets at the TWA Dome and Convention Center, respectively. In addition to these direct payments from the general fund budget, a total of \$7.8 million will be transferred to the Capital

Improvements Fund to offset debt service requirements on the Justice Center and Civil Courts Building and to provide matching funds for major road and bridge repairs.

Fixed increases accommodated in the FY2001 budget include the impact of a new pay plan for civil service and at will employees that will provide for a 3% cost of living increase. For commissioned police officers and firefighters, the budget proposal provides for a cost of living increase of either 3% or 5% depending on length of service. Increases included in the budget estimates of the Circuit Court require the City to budget for new programs, new employees, and questionable repairs to city owned buildings. These increases are funded as a result of statutory requirements to leave unaltered any budget estimates submitted by the Circuit Court. Negotiations between the City and the Circuit Court will continue during the budget review process, with the ultimate outcome of these

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negotiations determining the final budget appropriation.

The proposed budget increases are funded by increases in recurring revenues, decreases in some operating costs, and use of previously unappropriated fund balances. New and recurring revenues include state reimbursement for juvenile court operations and gross receipts tax on professional football games. Operating cost decreases include insurance requirements for the Convention Center, which will be paid in the future by the Convention and Visitors Commission, operating subsidies to the St. Louis Development Corporation, and a decrease in the cost to dispose of solid waste. The aforementioned unappropriated fund balances refers to interest that had accumulated in the debt service reserve fund established for repayment of the debt on the Civil Courts building and is being used in the FY2001 budget to augment the city's payment on this obligation.

Major changes in the FY2001 General Fund Budget include:

- Implementation of a new job classification and salary study at a cost of \$1.9 million.
- Pay and benefit increases for all employees at a cost of \$10.3 million.
- Increase in Justice Center debt cost of \$0.4 million.
- Increase in cost of communication software license fees of \$0.6 million.
- Liability insurance costs of \$0.4 million.
- Convention Center scheduled debt service increase of \$0.4 million
- Increase in subsidy for Truman Restorative Center of \$0.9 million.
- Cyclical increase for multiple elections year of \$1.1 million.
- Building maintenance costs of \$1.2 million resulting from purchase of Federal Courthouse.

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FY2001 GENERAL FUND REVENUES

Revenues available to support the budget for general operations are forecast at \$388.0 million. These recurring revenues are generated by a variety of sources, the most significant being taxes on employment. Other major revenue sources include taxes on property and retail sales, along with various business license fees and intergovernmental revenues from the State of Missouri. The remaining general fund revenues are comprised of departmental receipts for services rendered and fines resulting from ordinance violations.

Employment based taxes, a category which includes the earnings tax, payroll expense tax, and the graduated business license fee provide the largest share of general fund revenues. In FY2001, this group is expected to provide 42% of all general fund revenues and is forecast to grow at a rate of 3.5% over the revised estimate for FY2000. Of this

group, the earnings tax applied to individual's earnings and business profits is the most significant and is forecast to generate \$122.1 million in FY2001. The payroll expense tax, a function of total wages paid for work performed in the City, and the graduated business license fee, which is based on the number of full time equivalent workers in the City, are both key indicators of employment trends in the City. Together these two revenue sources are forecast to generate \$39.7 million in FY2001, a 3.6% change from the current year's revised estimate.

Property tax revenues are forecast to increase by 3.8% to \$39.2 million based on the expectation that real estate assessed value will continue to increase, albeit at a lower rate than the 5.3% growth experienced in FY2000. Retail sales taxes are expected to generate \$49.5 million, an amount that is nearly 3% higher than the current year's revised estimate and which is based on analysis of the most recent quarterly trends in collections. During the

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latest twelve-month period, sales tax revenues have increased by 6% over the proceeding twelve month period.

Franchise taxes, a category which includes a gross receipts tax on privately owned utility companies and the City-owned Airport and Water Division, should provide \$52.6 million, an increase of nearly 4% over FY20000. While there are no rate increases incorporated into the forecast, the City will continue to benefit from an expansion of taxable services provided by telephone utilities. As in past years, the estimated receipts from the sale of natural gas and electricity is based on existing rates and average usage, with extreme weather conditions being factored out.

Revenues from sources associated with the hospitality and entertainment industry are also projected to be higher. As a group, these services which include the amusement, restaurant, parking and hotel taxes are expected to provide \$19.3 million. In addition to the underlying

growth in these sources, FY2001 will be the first year in which revenues from professional football admissions will be included in the general fund.

Intergovernmental revenue will be slightly higher due to modest increases in the state automobile sales tax and the gasoline tax.

Departmental user fees will increase by nearly 8%, mainly due to fee increases imposed in the current year along with increasing efficiency in collection activity.

The following chart depicts the allocation of revenue sources supporting the general revenue budget for FY2001.

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Earnings and Payroll Tax

Employment-based tax revenue, i.e., earnings and payroll taxes, continue to grow and provide the largest share of the City's general revenue. The concentration of metropolitan area jobs in the downtown St. Louis area and the stable outlook for employment throughout the area are the basis for our expectation of continued growth from these sources. The FY2001 revenue estimate projects growth of 3.4% for earnings tax and 4.3% for payroll tax, both of which are consistent with the recent trend. Earnings and payroll taxes are projected to provide \$122.1 and \$32.0 million, respectively. Together, these account for nearly 40% of the City's general fund revenues.

Tourism and Amusement Tax

Convention and tourism based revenues such as restaurant and hotel taxes are projected to provide \$10.8 million, an increase from the current year's level of

\$10.2 million. Actual growth in hotel and restaurant receipts is expected to average about 3%. Previously collected revenues, which have been accumulating in a special fund, will be transferred in FY2001 accounting for the increase of nearly 6% to the general fund. Amusement tax revenues, which are a function of the prices paid for tickets purchased for sports events are expected to increase due to ticket price hikes and growing popularity evidenced by attendance figures. In FY2000 amusement taxes are projected to be \$4.8 million, up from \$4.6 million in FY1999, an increase of 4.3%. This increase includes taxes on professional football games that were previously allocated to a special fund to retire debt on a football practice facility.

Sales Tax

Local sales tax revenues will account for approximately \$49.5 million based on the local tax rate of 1.375%. Sales tax revenue growth has increased in the last three-quarters and will surpass the original

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expected estimate. The FY2001 estimate calls for revenues to increase at a rate of slightly less than 3%, consistent with the recent established pattern.

Property Tax

Property tax revenues, which will account for more than 10% of the general fund in FY2001, continue to provide an important piece of the general revenue pie.

The forecast for next year recognizes the growth in the real estate assessments and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property.

Revenue from real property is allowed an increase limited to an accepted inflation index, plus any increases resulting from new construction. FY2001 revenues reflect the growth on a reduced tax base resulting from impact of transferring large apartment buildings from commercial to the residential real estate class that was implemented in FY1997.

Franchise Tax

Revenues from franchise taxes are forecast to increase by over 3% to \$52.6 million. Because these revenues are based on the gross receipts of utility companies, they are to a great extent dependent on changes in weather patterns, and to a lesser extent on regulatory agency actions. The increase in receipts forecast for FY2001 is due to a continued growth in telephone gross receipts tax resulting from a settlement agreement between Southwestern Bell and the City which allows for City input into the taxable status of new services.

License and Permits

License and permit revenue is expected to increase from the current year's level, by approximately 4% with increases in gross receipts based licenses such as the ones levied on parking garages, sporting events, and building and occupancy permits. Some of the increase will be

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offset by an expected decrease in revenue from the cigarette license tax. Others, such as liquor, graduated business, and automobile licenses are forecast to remain at the current year's level.

Intergovernmental Revenues.

Revenues received from the State include the motor vehicle sales tax and a gasoline tax, both of which are imposed statewide and distributed to local jurisdictions based on a statutory or constitutional formula. Because of increased automobile sales statewide, the distribution to the City of motor vehicle sales tax has been growing. This growth is projected to continue in FY2001. The distribution of gasoline tax revenues now includes a county portion for the City of St. Louis. The value of the county distribution is approximately \$500,000 per year.

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1998-99	Revised Estimate FY 1999-00	Projected Receipts FY 2000-01	Percent Change
Earnings Tax	\$114,108,429	\$118,031,257	\$122,100,000	3.4%
Sales Taxes	47,317,678	48,130,000	49,500,000	2.8%
Property Tax	38,813,380	37,770,000	39,214,000	3.8%
Payroll Expense Tax	29,485,464	30,724,680	32,000,000	4.2%
Franchise / Utility Taxes:				
Electricity	23,629,036	23,500,000	24,400,000	3.8%
Natural Gas	6,138,585	6,000,000	6,000,000	0.0%
Telephone	14,690,584	11,500,000	12,200,000	6.1%
Water	3,671,282	4,000,000	4,000,000	0.0%
Airport	4,803,642	5,000,000	5,000,000	0.0%
All Other franchise fees	523,227	524,000	774,000	47.7%
Subtotal	53,456,356	50,524,000	52,374,000	3.7%
Intergovernmental Revenues:				
Gasoline Tax	9,883,978	10,000,000	10,100,000	1.0%
Health Care Payments	2,171,222	2,551,000	2,351,000	-7.8%
Prisoner Housing Reimbursement	5,184,169	5,400,000	5,400,000	0.0%
Motor Vehicle Sales Tax	3,890,618	4,000,000	4,100,000	2.5%
Intangible Tax	158,110	274,000	300,000	9.5%
Subtotal	21,288,097	22,225,000	22,251,000	0.1%
Licenses:				
Graduated Business License	8,136,021	7,600,000	7,700,000	1.3%
Cigarette Occupational License	2,212,943	2,118,000	2,000,000	-5.6%
Sports and Amusement	4,403,338	5,189,000	6,001,000	15.6%
Automobile	1,409,925	1,423,535	1,425,000	0.1%
Parking Garages and Lots	2,436,693	2,450,000	2,500,000	2.0%
Liquor	408,580	407,200	409,200	0.5%
Other Licenses	683,177	838,265	725,800	-13.4%
Subtotal	19,690,677	20,026,000	20,761,000	3.7%

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1998-99	Revised Estimate FY 1999-00	Projected Receipts FY 2000-01	Percent Change
Departmental Revenues:				
Fines and Forfeits	8,200,523	8,666,000	8,811,000	1.7%
Building and Occupancy Permits	2,625,043	3,487,000	3,563,000	2.2%
Departmental User Fees & Other	20,363,399	22,062,535	24,901,000	12.9%
Subtotal	31,188,965	34,215,535	37,275,000	8.9%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts ¹	5,250,000	4,900,000	5,000,000	2.0%
Restaurant Gross Receipts - 1 cent ¹	3,300,000	3,400,000	3,800,000	11.8%
Restaurant Gross Receipts - 1/2 cent	1,807,665	1,900,000	2,000,000	5.3%
Subtotal	10,357,665	10,200,000	10,800,000	5.9%
All other revenues and transfers	1,940,970	2,900,000	1,775,000	-38.8%
Subtotal	1,940,970	2,900,000	1,775,000	-38.8%
TOTAL GENERAL FUND REVENUES	\$367,647,681	\$374,746,472	\$388,050,000	3.6%

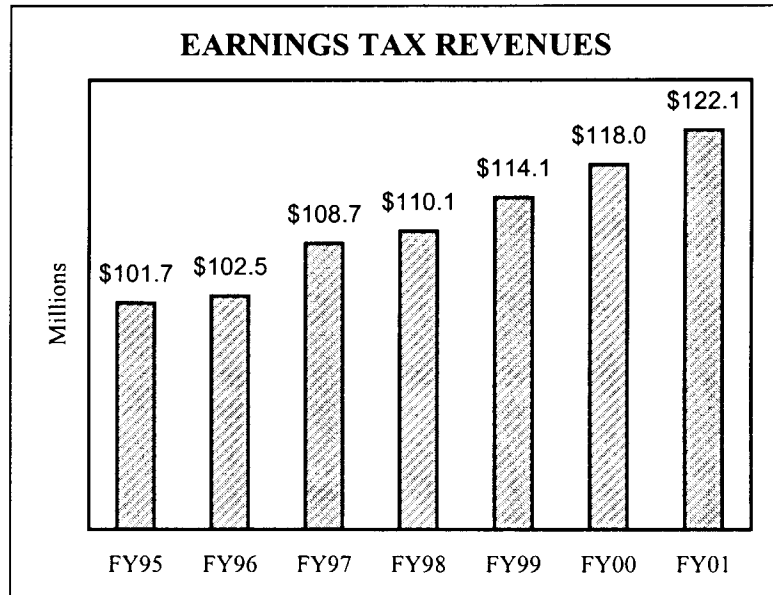
¹ Transfers from convention and sports facility trust fund and convention and tourism fund respectively

EARNINGS TAX

Definition

A one percent tax levied against employee gross compensation and business net profits.

The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the city limits.



Discussion

The city earnings tax is the most significant single source of general fund revenues, comprising nearly one-third of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

Revenues are projected to increase by 3.4% in fiscal 2001, consistent with the pattern established over the last 5 years.

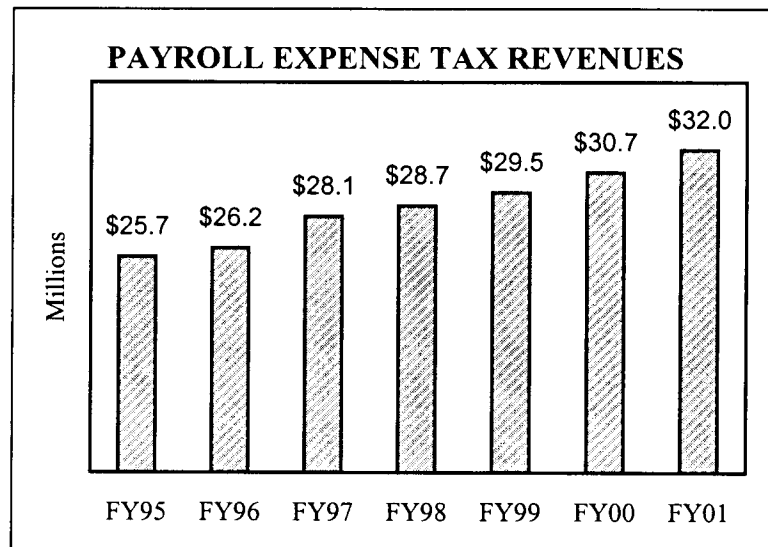
PAYROLL EXPENSE TAX

Definition

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.

Discussion

The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Revenue from this source is expected to increase by 4.3% in fiscal 2001.

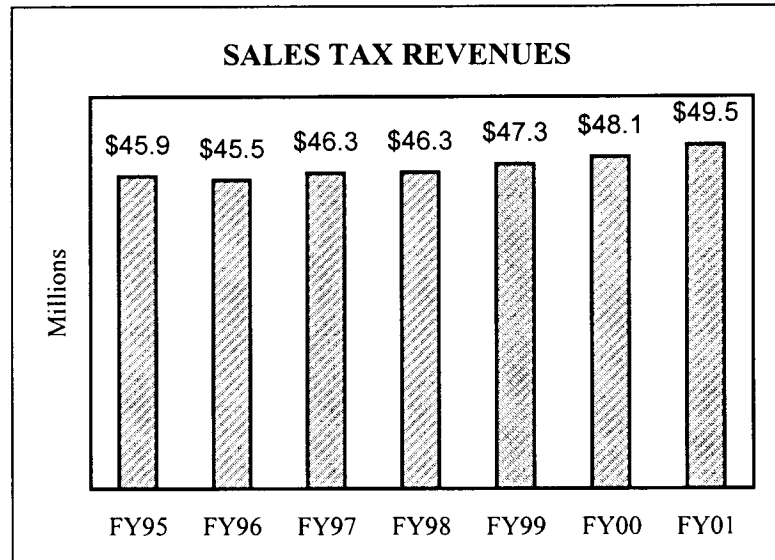


SALES TAX

Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.

Discussion

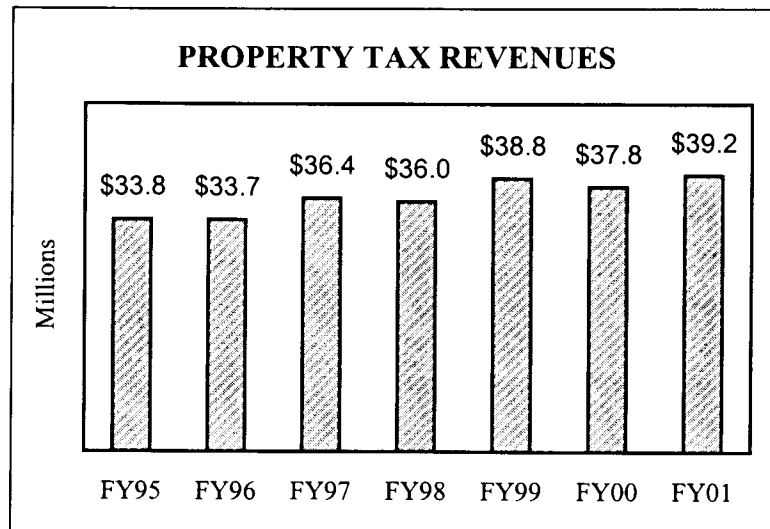


The chart above shows the collections history of the city's 1.375% local sales tax beginning with the first full year of collections in 1995. Following a period of low growth, receipts have been consistently higher in the current year. Revenue from sales tax in fiscal 2001 is forecast to increase at a rate of 2.8%.

REAL AND PERSONAL PROPERTY TAXES

Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.307 per \$100 assessed value



Discussion

Real and personal property tax revenues are distributed to the following taxing jurisdictions.

State	\$ 0.030
Schools	\$ 4.300
Junior College	\$ 0.240
Library	\$ 0.560
Zoo, Museum, Garden District	\$ 0.227
Sewer District	\$ 0.090
Sheltered Workshop	\$ 0.150
Community Mental Health	\$ 0.090
City - General Purposes	\$ 1.420
City - Public Debt	\$ 0.200
TOTAL	\$ 7.307

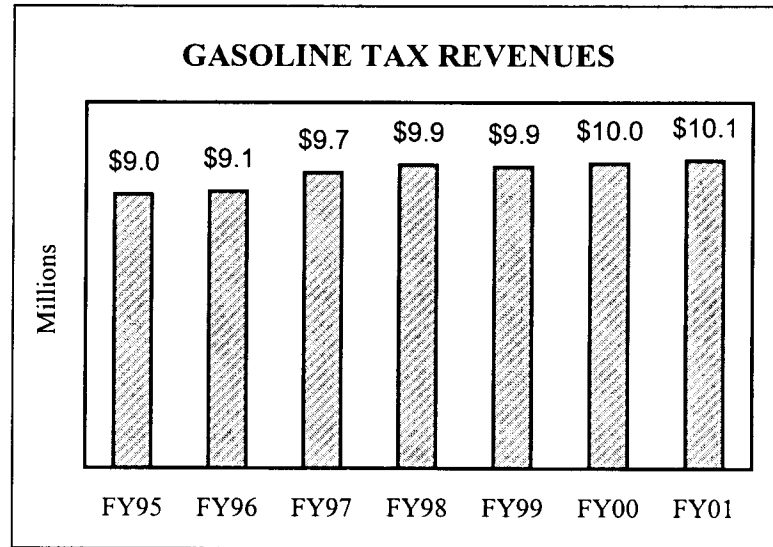
Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax.

GASOLINE TAX

Definition

A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.



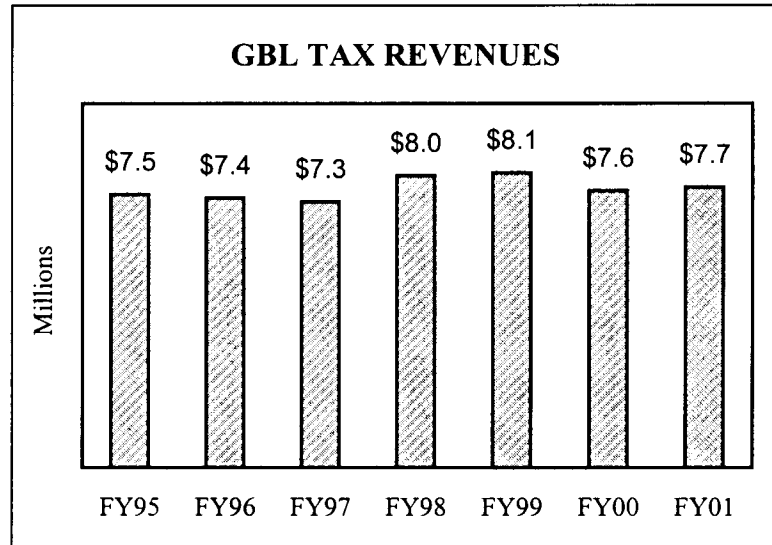
Discussion

The gasoline tax rate is \$0.17 per gallon. In 1992, the tax rate increased by \$0.02 per gallon. Additional \$0.02 per gallon increases followed in 1994 and 1996. Each of these changes added about million dollars to the City's share of gasoline tax revenues. In addition, the City receives a share based on its status as both a city and a county. The new "county" share is worth approximately \$500,000 in the current fiscal year. A portion of the additional revenues, currently \$1,750,000, is dedicated to the Capital Improvements Fund for street and bridge projects.

GRADUATED BUSINESS LICENSE TAX

Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



Discussion

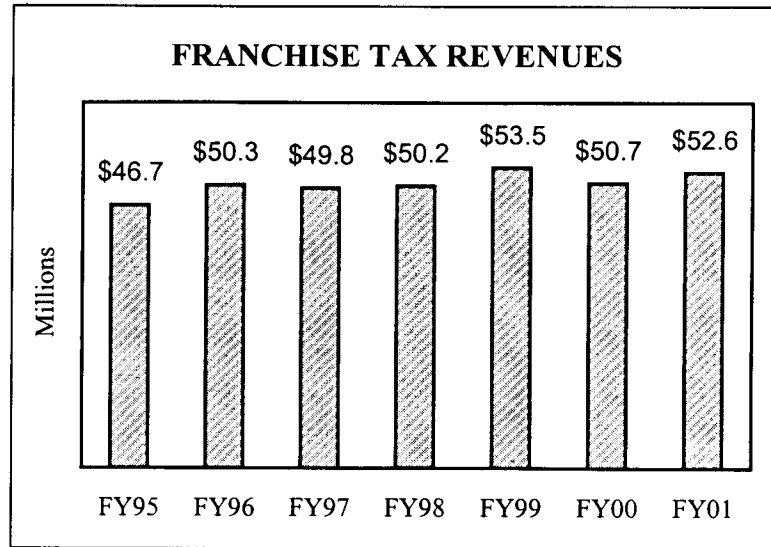
The graduated business license tax and provides a consistent source of revenue of about \$7.5 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

Number of Employees	GBL Tax
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

FRANCHISE TAX

Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission.

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1998-99	Revised Estimate FY 1999-00	Projected Receipts FY 2000-01	Percent Change
SPECIAL FUND REVENUES:				
Child Support Unit - State & Misc. revenues	\$1,795,076	\$1,500,000	\$1,350,000	-10.0%
Fund Balance	0	100,000	200,000	100.0%
	1,795,076	1,600,000	1,550,000	-3.1%
Building Demolition Fund - Permits/Recoveries	1,627,316	1,650,000	1,650,000	0.0%
Fund Balance	0	1,300,000	1,300,000	0.0%
	1,627,316	2,950,000	2,950,000	0.0%
Assessment Fund				
Real Estate Tax	1,016,411	1,000,000	1,050,000	5.0%
State Reimbursements	521,245	1,200,000	839,000	-30.1%
Other	98,362	201,000	101,000	-49.8%
General Fund Subsidy	1,150,000	1,150,000	1,550,000	34.8%
	2,786,018	3,551,000	3,540,000	-0.3%
Battered Persons Shelter Fund	113,737	135,000	135,000	0.0%
Communications Fund				
Cable Television Gross Receipts Tax	1,380,052	1,400,000	1,400,000	0.0%
Fund Balance	311,108	300,000	500,000	66.7%
	1,691,160	1,700,000	1,900,000	11.8%
Lateral Sewer Fund				
Tax receipts and interest	2,887,588	2,900,000	2,900,000	0.0%
Fund Balance	186,758	655,609	601,003	-8.3%
	3,074,346	3,555,609	3,501,003	-1.5%
Miscellaneous Special 1119 Funds				
Columbia Bottoms	172,636	55,000	55,000	0.0%
Port Authority (including gaming lease)	1,988,054	2,165,000	3,210,000	48.3%
Health Care Trust Fund	0	6,100,000	5,000,000	n/a
Other Special Revenue Funds	611,259	1,557,994	1,738,787	11.6%
	2,771,949	9,877,994	10,003,787	1.3%
Riverfront Gaming Revenues (excl. Port lease)	4,336,446	5,040,000	5,445,000	8.0%

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1998-99	Revised Estimate FY 1999-00	Projected Receipts FY 2000-01	Percent Change
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	5,710,093	10,540,000	10,400,000	-1.3%
Police Department Grants	3,660,376	5,824,359	6,091,987	4.6%
Other Government Grants	22,666,851	41,107,686	44,625,817	8.6%
	32,037,320	57,472,045	61,117,804	6.3%
Capital Improvements Funds				
1/2 Cent Sales Tax	17,355,644	17,500,000	18,000,000	2.9%
Gasoline Tax	1,750,000	1,750,000	1,750,000	0.0%
Previous Year Surplus	5,000,000	3,000,000	1,000,000	-66.7%
Income From Sale Of City Assets	3,294,005	750,000	825,000	10.0%
Transfers from General and Other Funds	10,385,000	13,405,000	17,879,640	33.4%
Interest Earnings	1,137,495	0	0	n/a
	38,922,144	36,405,000	39,454,640	8.4%
Debt Service Fund				
Property Taxes	1,241,929	0	5,697,998	n/a
Fund Balance	1,170,403	0	0	n/a
	2,412,332	0	5,697,998	n/a
Tax Increment Financing	1,638,580	1,889,611	1,894,136	0.2%
Trustee Lease Fund - Interest & DSR Earnings	0	1,501,570	3,752,000	149.9%
Mail Services Internal Service Fund	582,813	850,000	850,000	0.0%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	3,524,926	3,696,000	3,840,000	3.9%
Fund Balance	0	0	160,000	n/a
	3,524,926	3,696,000	4,000,000	8.2%
Employee Benefits Fund	18,515,054	24,804,030	24,466,777	-1.4%
Fund Balance	0	0	700,000	n/a
	18,515,054	24,804,030	25,166,777	1.5%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	4,456,208	4,534,000	4,685,000	3.3%
Fund Balance	793,792	366,000	315,000	n/a
	5,250,000	4,900,000	5,000,000	2.0%

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1998-99	Revised Estimate FY 1999-00	Projected Receipts FY 2000-01	Percent Change
Rams Practice Facility Fund				
NFL Gross Receipts Tax	992,247	1,200,000	0	-100.0%
Transfers from Other Funds	0	0	1,200,000	n/a
Fund Balance	0	0	1,800,000	n/a
	992,247	1,200,000	3,000,000	n/a
Subtotal Special Fund Revenues	122,071,464	161,127,859	178,958,145	11.1%
ENTERPRISE FUND REVENUES:				
Water Division				
Net Sales of Water	36,793,443	36,540,000	36,540,000	0.0%
Gross Receipts Tax	3,671,282	3,656,000	3,656,000	0.0%
All Other Income	3,261,718	3,248,250	3,248,250	0.0%
	43,726,443	43,444,250	43,444,250	0.0%
Lambert St. Louis Airport				
Federal Aviation Administration	13,326,328	15,000,000	15,000,000	0.0%
Rents - Administration Building	93,855,496	98,000,000	100,000,000	2.0%
Parking	10,861,376	11,000,000	11,000,000	0.0%
All Other Income	3,224,487	3,270,000	3,270,000	0.0%
	121,267,687	127,270,000	129,270,000	1.6%
Subtotal Enterprise Funds	164,994,130	170,714,250	172,714,250	1.2%
Total Special and Enterprise Revenues	\$287,065,594	\$331,842,109	\$351,672,395	6.0%
Revenues Appropriated Separately:				
Street Improvement Fund				
Motor Vehicle Sales Tax	850,000	875,000	875,000	0.0%
Franchise (Utility) Taxes	3,728,131	3,780,000	3,780,000	0.0%
	4,578,131	4,655,000	4,655,000	0.0%
Community Dev. Block Grants / Housing Grants	41,477,330	38,058,000	36,282,000	-4.7%

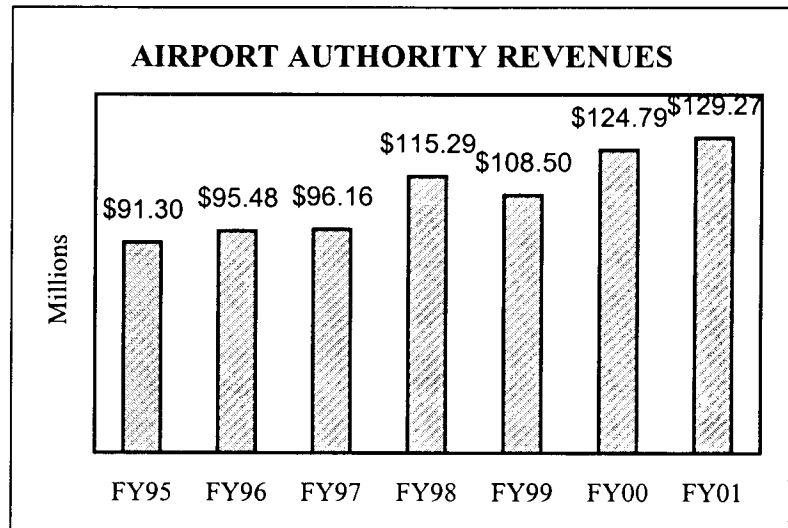
CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1998-99	Revised Estimate FY 1999-00	Projected Receipts FY 2000-01	Percent Change
Parking Division				
Parking Facilities Revenues	3,064,312	3,000,000	3,000,000	0.0%
Parking Meter Division & Violations	6,211,504	6,000,000	6,000,000	0.0%
	9,275,816	9,000,000	9,000,000	0.0%
Transportation Funds				
Transportation 1/2 Cent Sales Tax	17,418,450	17,670,000	20,200,000	14.3%
Metrolink 1/4 Cent Sales Tax	8,698,378	8,830,000	10,100,000	14.4%
	26,116,828	26,500,000	30,300,000	14.3%
Total All Special and Other Fund Revenues	\$368,513,699	\$410,055,109	\$431,909,395	5.3%

AIRPORT AUTHORITY (Lambert-St. Louis International Airport)

Definition

Airport revenue comes from Signatory Airline Fees, Concession Revenues, Interest Income and other revenues.



Discussion

Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: American, Continental, Delta, Northwest, USAir, Southwest, TWA, Trans States and United. The Airport also receives revenues from concessions that operate on Airport property. Concession fees include revenues from the following activities: food & beverage sales, giftshops, coin devices, ground transportation, public parking, car rentals, space rental, in-flight catering and other concession revenues. Other revenues include non-signatory airline fees, cargo, hangar, tenant improvement surcharges, employee lot, gain on sale of investments and other miscellaneous revenues.

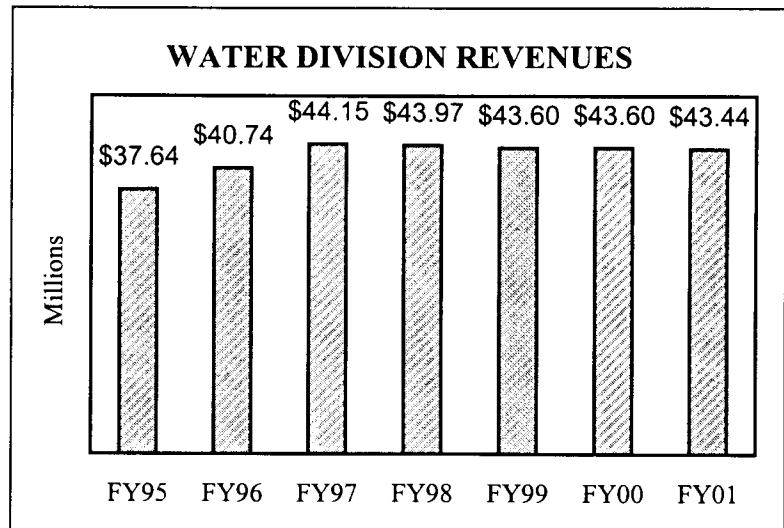
WATER DIVISION

Definition

The Water Division receives revenues from Net Sales of Water, Gross Receipts Tax and other miscellaneous income.

Discussion

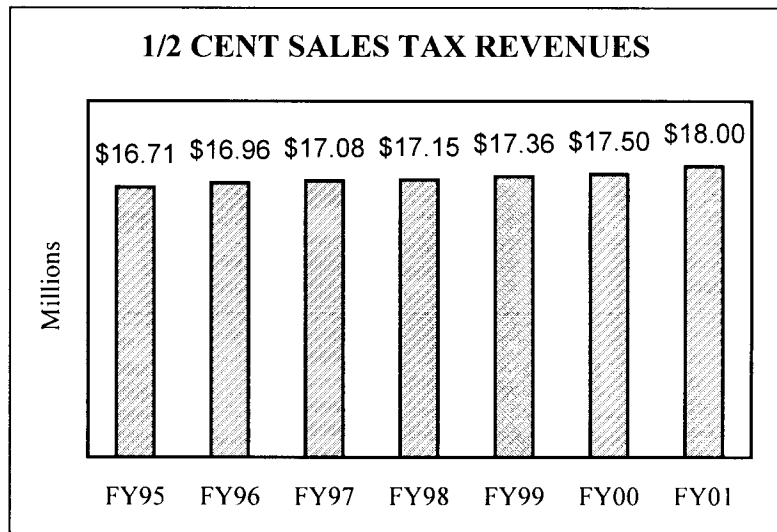
Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased slightly the sales to other governmental jurisdictions has more than compensated for the decrease. The Gross Receipts Tax is a 10% utility tax levied on all purchasers of water from the Water Division and payable to the City's General Fund. The other miscellaneous income is mostly revenue from services the Water Division performs, such as repairing damaged fire hydrants or tapping water lines for new buildings.



1/2 CENT CAPITAL SALES TAX

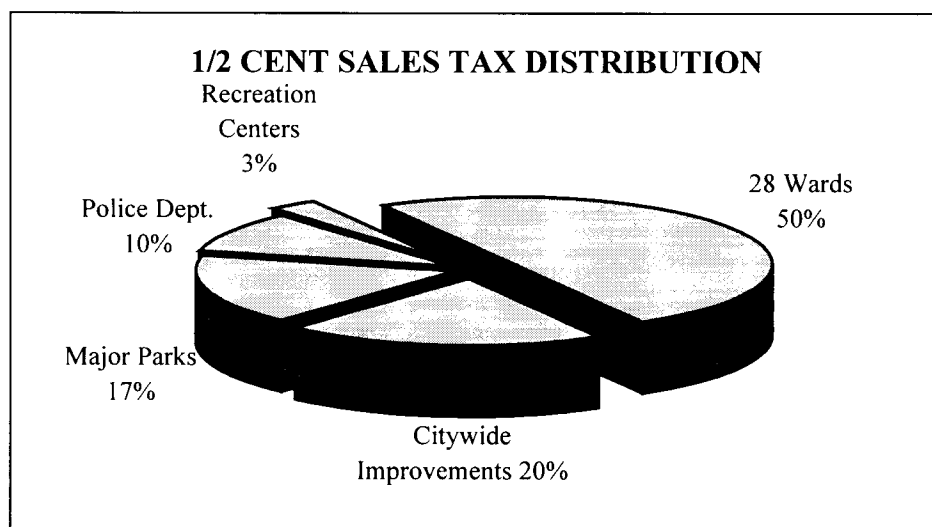
Definition

A one half percent tax levied on retail sales in the City of St. Louis is dedicated to Capital expenditures. The sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



Discussion

City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. FY95 represented the first full year of collections of this new source of revenue. Projected revenue for FY01 is projected to total \$18.0 million. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below:



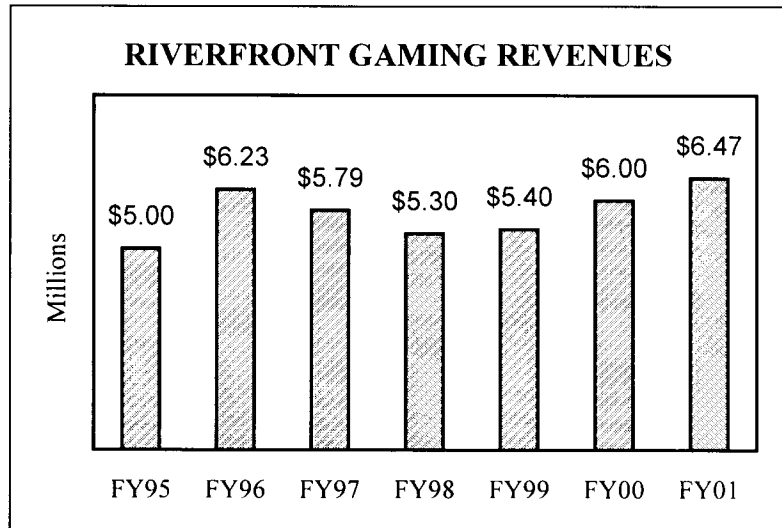
RIVERFRONT GAMING

Definition

Riverfront Gaming revenues come primarily from three sources:

1) the local share of the state gaming tax, 2) the local share of the state admissions tax, and 3) the lease agreement with the City Port Authority

Discussion



Riverboat gaming on the St. Louis riverfront began in May, 1994 with the opening of President Casino's Admiral riverboat. The variety of games was somewhat limited until "games of chance" (e.g. slot machines) were permitted by law beginning in December, 1995. The State of Missouri imposes a 20% tax on the adjusted gross receipts (AGR) of riverboat gambling facilities as well as a \$2 head tax on the number of admissions. By state statute, the City receives a 10% share of the state tax or 2% of AGR. The City is also entitled to one-half the state admission fee or \$1 per admission. The City receives an additional 2% of AGR through a lease the between the riverboat operator and the City's Port Authority.

Two major factors affecting the City's receipts from riverboat gaming are the level of competition from other gaming facilities in the area and river stage levels that may periodically limit access to the riverboat. FY01 will see the relocation of the Admiral riverboat to a location that is more secure and less susceptible to flooding. In the past year, the Missouri Gaming Commission approved open boarding. This has led to an increase in admission fee revenue. Gaming revenue projections for FY01 reflect a full year's impact from this change in boarding.

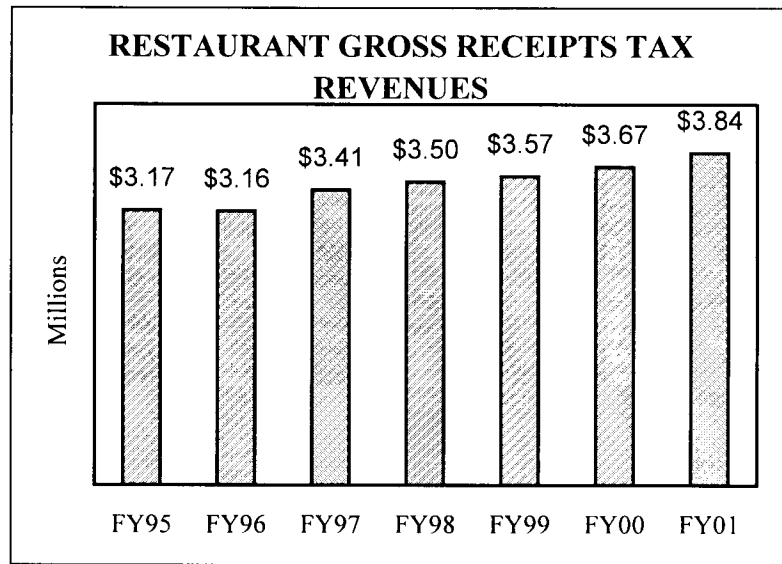
RESTAURANT GROSS RECEIPTS TAX

Definition

A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.

Discussion

The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source are used to offset debt service payments on the Cervantes Convention Center.



HOTEL / MOTEL SALES TAX

Definition

A 3.5% tax levied on the price of a hotel room.

Discussion

Beginning in FY94, the City's \$2.00 license fee per occupied hotel room was replaced by a 3.5% sales tax on hotel and motel receipts. The change in structure has allowed this source of revenue to grow with inflationary increases in the cost of a hotel room. Proceeds from this tax are deposited into a Convention and Sports facility trust fund and are used to offset debt payments on the City's convention center.

